



RED RIVER AUTHORITY OF TEXAS



A G E N D A

**Board of Directors Meeting
Wednesday, January 15, 2020, 9:00 a.m.
Red River Authority of Texas Administrative Offices
3000 Hammon Road
Wichita Falls, Texas**

General public wishing to address the Board must sign in prior to the Call to Order. General public wishing to speak on a particular agenda item must list the specific item on the signup sheet. General public wishing to address the Board about items not on the agenda will be allowed a three-minute time frame. The Board cannot comment on items not on the agenda or take action other than to place a topic on a future agenda.

If necessary, the Board of Directors may convene into Executive Session under Chapter 551 of the Texas Government Code regarding any item on this agenda. The Board may take final action on any of the executive session matters upon reconvening in open session pursuant to Chapter 551 of the Texas Government Code.

Item One: Call the Meeting to Order, Invocation, and Pledge of Allegiance to the Flags

Item Two: Public Comments to the Board of Directors

Comments from the general public to members of the board concerning items that are not on the board agenda. As comments from the general public are not posted agenda items, the Texas Open Meetings Act prohibits RRA Board Members and Staff from discussing or responding to these comments during board meetings.

Item Three:

CONSENT AGENDA

Items on the consent agenda will be considered and acted on in one motion.

- a. Read and Approve the Minutes of the Board of Directors Meeting Held on September 18, 2019
- b. Read and Approve the Minutes of Special Called Board of Directors Meeting Conference Call Held on October 24, 2019
- c. Read and Approve the Minutes of the Executive Committee Meeting Held on Tuesday, January 14, 2020

REGULAR AGENDA

- Item Four: Conduct a Swearing-In Ceremony for Newly Appointed and Reappointed Members to the Board of Directors:
- a. Administer Oath of Office
 - b. Complete Required Certificates for Filing
- Item Five Consider an Election for Vice President and Take Any Action Deemed Necessary
- Item Six: Consider Approval of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019 and 2018*, as Reviewed by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit and Take Any Action Deemed Necessary
- Item Seven: Consider Approval of the Investment Activity Report for the Period Ended September 30, 2019 and Resolution #2020-001 Adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for the Ensuing Calendar Year, as Recommended by the Executive Committee and Take Any Action Deemed Necessary
- Item Eight: Consider Approval of Resolution #2020-002 Adopting the Indirect Cost Accounting Plan for Calendar Year 2020, as Recommended by the Executive Committee and Take Any Action Deemed Necessary
- Item Nine: President Boykin will Discuss Forming Committees and Consider Board Members for Appointment and Take Any Action Deemed Necessary
- Item Ten: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.074:
- a. Conduct Annual Review of the General Manager and Receive Recommendations from the Executive Committee
- Item Eleven: Consider Taking Any Action Deemed Necessary from the Executive Session
- Item Twelve: Consider Resolution #2020-003 Commending Ms. Penny Carpenter for Her Service on the Board of Directors and Take Any Action Deemed Necessary

- Item Thirteen: Consider Resolution #2020-004 Adopting an Alternative Dispute Resolution Policy for the Red River Authority of Texas and Take Any Action Deemed Necessary
- Item Fourteen: Consider Resolution #2020-005 Amending the Bylaws of the Red River Authority of Texas and Take Any Action Deemed Necessary
- Item Fifteen: Consider Resolution #2020-006 Adopting an Amended Chapter 1 of the Administration Policy and Procedure Manual, and Take Any Action Deemed Necessary
- Item Sixteen: Consider Authorizing the General Manager to Accept the \$75,000 Grant from the U.S. Department of Reclamation and Contract with the U.S. Department of Reclamation for the Automated Metering Infrastructure in the Utility Division and Take Any Action Deemed Necessary
- Item Seventeen: Consider Authorizing the Advertisement for Bids to Supply and Install Automated Metering Infrastructure in the Utility Division and Take Any Action Deemed Necessary
- Item Eighteen: Consider Authorizing the Advertisement for Bids to Install a Chlorine Dioxide Injection Point in the Raw Water Line at the Preston Shores Water Plant and Take Any Action Deemed Necessary
- Item Nineteen: Consider Authorizing the Advertisement for Bids to Construct a 12" Water Line from the City of Wichita Falls Connection Point on Hammon Road to the Lake Arrowhead Pump Station to Supply Treated Water to the Lake Arrowhead and Arrowhead Ranch Estates Water Systems and Take Any Action Deemed Necessary
- Item Twenty: Consider Authorizing the General Manager to Sign a Memo of Understanding with the City of Wichita Falls to Construct a Water Line to Begin Receiving Treated Water to Serve the Lake Arrowhead and Arrowhead Ranch Estates Water Systems and Take Any Action Deemed Necessary
- Item Twenty-One: Consider Authorizing the Advertisement for Request for Qualifications for Auditing Services and Take Any Action Deemed Necessary
- Item Twenty-Two: Consider Authorizing the General Manager to Apply for Planning Assistance from the Tulsa District of the United States Army Corps of

Engineers (USACE) through the USACE PAS Program and Take Any Action Deemed Necessary

Item Twenty-Three: Consider Declaring Obsolete/Retired Equipment as Surplus Property and Authorizing its Disposal and Take Any Action Deemed Necessary

Item Twenty-Four: Consider Acceptance and Award Bids for Pickup Trucks and Take Any Action Deemed Necessary

Item Twenty-Five: Receive an Update on the Progress of the Strategic Plan from Director Sandefur and Take Any Action Deemed Necessary

Item Twenty-Six: Consider Approval of Directors' Expenses and Take Any Action Deemed Necessary

Item Twenty-Seven: Unfinished Business: Tabled Item from September 18, 2019 Board Meeting - Consider Amending the Travel Policy for Board Members and Key Officials and Take Any Action Deemed Necessary

Item Twenty-Eight: Other Business as the Board May Deem Appropriate:

- a. General Manager's Report
 - 1. Capital Improvement Plan Update
 - 2. Update on Navigation of the Red River
- b. Assistant General Manager's Report
 - 1. Update on the Asset Management Plan Progress
 - 2. Update on the Environmental Services Division
 - 3. Update on the Utility Division and Maintenance Division
- c. Financial Report by the Controller

Item Twenty-Nine: Comments from the Directors and/or Suggestions for Future Agenda Items

Item Thirty: Adjourn Meeting

Special Accommodations: This facility is wheelchair accessible and accessible parking spaces are available. Requests for special accommodations or interpretive services must be made forty-eight (48) hours prior to this meeting. Please contact Ms. Danna P. Bales at 940-723-2236 or danna.bales@rra.texas.gov for assistance.

RED RIVER AUTHORITY OF TEXAS
Board of Directors' Meeting
January 15, 2020

The Red River Authority of Texas Board of Directors conducted a regularly scheduled meeting on Wednesday, January 15, 2020 at 9:00 a.m. in the Board Room of the Red River Authority of Texas Administrative Offices in Wichita Falls, Texas. The meeting was open to the public, and the following directors, staff and guests were present:

Directors:

Mr. Todd W. Boykin, President, Amarillo
Mr. Michael Sandefur, Secretary-Treasurer, Texarkana
Mr. Stephen A. Thornhill, Assistant Secretary, Denison
Ms. Mary Lou Bradley, Memphis
Mr. Jerry Bob Daniel, Truscott
Mr. Jerry Dan Davis, Wellington
Mr. G. Wilson Scaling, II, Henrietta
Mr. Zackary K. Smith, Canyon
Mr. Joe Ward, Telephone

Staff:

Mr. Randall W. Whiteman, General Manager, Red River Authority of Texas
Ms. Danna P. Bales, Executive Assistant, Red River Authority of Texas
Mr. Fabian A. Heaney, Assistant General Manager, Red River Authority of Texas
Ms. Lana Hefton, Controller, Red River Authority of Texas
Mr. Glen K. Hite, IT Systems Administrator, Red River Authority of Texas

Guests:

Mr. David Parkman, Edgin, Parkman, Fleming and Fleming, P.C., Wichita Falls

Item One:

Call the Meeting to Order, Invocation, and Pledge of Allegiance to the United States and Texas Flags

Mr. Boykin called the meeting to order at 9:00 a.m. Mr. Sandefur provided the invocation. The pledges of allegiance to the United States and Texas Flags followed.

Item Two: Public Comments to the Board of Directors

There were no public comments to the Board of Directors.

Mr. Boykin welcomed the new Board of Directors and then moved to Item Four from the Regular Agenda, in order to swear in the newly appointed members to the board.

Item Four: Conduct a Swearing-In Ceremony for Newly Appointed and Reappointed Members to the Board of Directors**a. Administer Oath of Office**

Ms. Bales, Notary Public, administered the Oath of Office to the newly appointed members, Ms. Mary Lou Bradley and Mr. Jerry Dan Davis, and to reappointed members, Mr. Stephen A. Thornhill and Mr. Zackary K. Smith.

b. Complete Required Certificates for Filing

Following the administering of the Oath of Office, the required certificates were signed for filing with the Secretary of State.

The meeting then moved to the Consent Agenda items.

Item Three: CONSENT AGENDA

Items on the consent agenda will be considered and acted on in one motion.

- a. Read and Approve the Minutes of the Board of Directors Meeting Held on September 18, 2019**
- b. Read and Approve the Minutes of Special Called Board of Directors Meeting Conference Call Held on October 24, 2019**
- c. Read and Approve the Minutes of the Executive Committee Meeting Held on Tuesday, January 14, 2020**

Following review of the consent agenda items, Mr. Daniel made a motion to approve them, as presented. Mr. Ward seconded his motion, which passed unanimously by a vote of **9 For** and **0 Against**.

The meeting then moved back to the Regular Agenda items.

REGULAR AGENDA**Item Five Consider an Election for Vice President and Take Any Action Deemed Necessary**

Mr. Boykin stated that he would like for the newly appointed members to have time to consider the election of a Vice President and elect one at a future meeting. He then called for no action on this item.

Item Six: Consider Approval of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019 and 2018*, as Reviewed by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit and Take Any Action Deemed Necessary

Mr. Parkman thanked the Board for allowing his firm to perform the audit this year. He then provided an overview of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019 and 2018 (CAFR)*.

Referring to the Independent Auditor's Report on Financial Statements on page 1 of the *CAFR*, Mr. Parkman stated that based on their examination, the financial statements presented in the audit are materially correct and received a clean opinion.

Referring to pages 11 and 12 of the *CAFR*, Mr. Parkman provided an overview of the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position for the years ended September 30, 2019 and 2018. He stated that the Authority ended up with a total net position of \$18,467,538, with the change in net position being \$696,790. He pointed out that the net pension assets this year were \$282,070, as opposed to last year of \$896,005. Discussion was then held on deferred outflows of resources with regards to pension.

Mr. Parkman then gave a brief overview of the Notes to the Basic Financial Statements, beginning on page 15 of the *CAFR*, as well as the Combining Schedule of Net Position, beginning on page 56 of the *CAFR*. Referring to the Combining Schedule of Net Position, he stated that the Authority has several Internal Service Funds that are presenting duplicated revenues and/or expenses. He added that when Government Accounting Standards Board (GASB) 34 went into effect (June 1999), that was no longer required, and are therefore shown in the eliminations column on that schedule. Mr. Thornhill asked if the Internal Service Funds could be removed completely, and Mr. Parkman replied that they could be removed. Discussion was then held regarding abolishing the Interfund Loan Fund beginning October 1, 2020, in order to simplify the Authority's accounting, as well as be more in compliance with GASB 34 rules.

Item Six: Consider Approval of the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019 and 2018*, as Reviewed by the Executive Committee for Audit Evaluation and Execution of the State Filing Affidavit and Take Any Action Deemed Necessary (continued)

Mr. Parkman also referred the Texas Commission on Environmental Quality's required Independent Auditor's Report on page 106 of the *CAFR*, and stated that it describes the scope of their testing of internal control and compliance, as well as the results of that testing. He added that the results disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Referring to the Management Letter located in the Board Book, Mr. Parkman stated that this letter does not affect their report dated January 7, 2020 on the financial statements. He explained that they did become aware of opportunities for strengthening internal controls and operating efficiency. Providing an overview of the Management Letter comments, he explained that an over billing in the amount of approximately \$1,200,000 in additional revenue took place in September 2019, which was due to less than previous meter readings. He stated that the error was caught, but since it was not corrected until after the fiscal year end, an audit adjustment in that amount was necessary for 2019. He also explained that the Authority's equity balances did not agree to the prior year's audited balances, due to two prior year audit entries not being posted, as well as two prior year audit entries being posted incorrectly. He added that since the larger over billing issue had been caught and corrected, they decided to include these items in the Management Letter, rather than list a deficiency in the *CAFR*.

Following additional minor discussion, Mr. Sandefur made a motion to approve the *Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019 and 2018*, as recommended by the Executive Committee. Mr. Daniel seconded his motion, which passed unanimously by vote of **9 For** and **0 Against**.

Item Seven: Consider Approval of the Investment Activity Report for the Period Ended September 30, 2019 and Resolution #2020-001 Adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for the Ensuing Calendar Year, as Recommended by the Executive Committee and Take Any Action Deemed Necessary

Referring to Item 7 in the Board Book, Ms. Hefton discussed that the Portfolio Summary Report and the Investment Activity Report for the Period Ended September 30, 2019. She stated that there were no changes to the Investment Policy or Investment Strategy.

Item Seven: Consider Approval of the Investment Activity Report for the Period Ended September 30, 2019 and Resolution #2020-001 Adopting the Authority's Investment Policy, Investment Strategy, and the Investment Officers for the Ensuing Calendar Year, as Recommended by the Executive Committee and Take Any Action Deemed Necessary (continued)

Following minor discussion, Mr. Sandefur made a motion to approve the Investment Activity Report for the Period Ended September 30, 2019 and Resolution #2020-001, adopting the Authority's Investment Policy and Investment Strategy and the Investment Officers for the Ensuing Calendar Year, as recommended by the Executive Committee. Mr. Thornhill seconded his motion, which passed unanimously by a vote of **9 For** and **0 Against**.

Item Eight: Consider Approval of Resolution #2020-002 Adopting the Indirect Cost Accounting Plan for Calendar Year 2020, as Recommended by the Executive Committee and Take Any Action Deemed Necessary

Mr. Parkman stated that the Texas Commission on Environmental Quality (TCEQ) requires that a list of eight agreed upon procedures be performed on the Authority's Annual Indirect Cost Accounting Plan, and stated that there were no discrepancies or findings. He also reminded that it is not an audit, it is just procedures tested at the request of the TCEQ to ensure the Authority's Indirect Cost Accounting Plan rates are correct.

Following discussion, Mr. Sandefur made a motion to approve Resolution #2020-002, adopting the Indirect Cost Accounting Plan for Calendar Year 2020, as recommended by the Executive Committee. His motion was seconded by Mr. Ward, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Nine: President Boykin will Discuss Forming Committees and Consider Board Members for Appointment and Take Any Action Deemed Necessary

Mr. Boykin discussed the possibility of creating various committees to provide oversight and a sounding board to staff. He added that the Board should not be involved in the day to day operations. He explained that he wanted to bring this topic up at this time, so that it could be taken into account during the remainder of this meeting. He stated that he would be in contact with each director in the future to receive input.

Item Ten: Conduct an Executive Session of the Board of Directors, Pursuant to Government Code Section 551.074:

a. Conduct Annual Review of the General Manager and Receive Recommendations from the Executive Committee

The meeting went into Executive Session from 9:58 a.m. to 10:33 a.m.

Following the Executive Session, a break was taken from 10:34 a.m. to 10:38 a.m. and the meeting then reconvened.

Item Eleven: Consider Taking Any Action Deemed Necessary from the Executive Session

Mr. Daniel made a motion to raise the General Manager's salary to \$141,000 per year. His motion was seconded by Mr. Smith, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twelve: Consider Resolution #2020-003 Commending Ms. Penny Carpenter for Her Service on the Board of Directors and Take Any Action Deemed Necessary

Mr. Scaling made a motion to adopt Resolution #2020-003, commending Ms. Penny Carpenter for her service on the Board of Directors. His motion was seconded by Mr. Daniel, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Thirteen: Consider Resolution #2020-004 Adopting an Alternative Dispute Resolution Policy for the Red River Authority of Texas and Take Any Action Deemed Necessary

Mr. Boykin explained that the Authority's recent review by the Texas Sunset Advisory Commission (Sunset) included a recommendation for the Authority to adopt an Alternative Dispute Resolution (ADR) Policy. Discussion was then held in regards to Sunset's recommendation, where it stated that the ADR Policy could apply to internal employee grievances, interagency conflicts, contract disputes, actual or potential contested matters such as water rights

Item Thirteen: Consider Resolution #2020-004 Adopting an Alternative Dispute Resolution Policy for the Red River Authority of Texas and Take Any Action Deemed Necessary (continued)

disputes, and other areas of potential conflict. Discussion was then held in regards to third party vendors and including verbiage with regards to employees.

A motion was made by Mr. Sandefur to approve Resolution #2020-004, adopting the ADR Policy for the Authority. Following Mr. Sandefur's motion, additional discussion was held on the ADR policy that was presented, and it was determined that it did not meet all of the requirements recommended by Sunset. Mr. Sandefur then withdrew his motion and no action was taken on this item. This item will be presented on the next meeting agenda.

Item Fourteen: Consider Resolution #2020-005 Amending the Bylaws of the Red River Authority of Texas and Take Any Action Deemed Necessary

Mr. Boykin stated that after his review of the Bylaws, and after speaking with other directors and staff, there are some documents where there may be some variations from other Authority documents. He felt that rather than passing the Bylaws presented, he would recommend that the Authority's General Counsel review them to ensure they are consistent with state law, as well as all other Authority documents. Following discussion, Mr. Scaling made a motion to table the item and send the Bylaws to the General Counsel for review. His motion was seconded by Mr. Daniel, and the motion passed unanimously with a vote of **9 For** and **0 Against**.

Item Fifteen: Consider Resolution #2020-006 Adopting an Amended Chapter 1 of the Administrative Policy and Procedure Manual, and Take Any Action Deemed Necessary

Mr. Whiteman stated that there are several areas of Chapter 1 of the Administrative Policy and Procedure Manual that refer to the Bylaws. Therefore, he recommended tabling this item, as well. Following minor discussion, Mr. Daniel made a motion to table this item and send Chapter 1 of the Administrative Policy and Procedure Manual to the General Counsel for review. His motion was seconded by Mr. Scaling, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Sixteen: Consider Authorizing the General Manager to Accept the \$75,000 Grant from the U.S. Department of Reclamation and Contract with the U.S. Department of Reclamation for the Automated Metering Infrastructure in the Utility Division and Take Any Action Deemed Necessary

Mr. Heaney reminded that the Authority had applied and was approved for a \$75,000 matching grant from the U.S. Department of Reclamation for the Automated Metering Infrastructure (AMI) Project within the Utility Division. He added that the Board had previously approved the application, along with matching funds in the amount of \$125,000 to be more competitive in the application process. He explained that the \$200,000 will provide approximately 550 AMI meters and the software to remote read them. He stated that if the outcome is positive, the Authority will seek additional grants or other funding sources to expand AMI throughout all of the Authority's Utility Division. Mr. Whiteman stated that this authorization would allow him to accept the grant and execute any contractual documents necessary, as it is expected to be received prior to the next board meeting.

Following discussion on various features of the AMI Project, Mr. Davis made a motion to authorize the General Manager to accept the \$75,000 grant from the U.S. Department of Reclamation and contract with the U.S. Department of Reclamation for the Automated Metering Infrastructure Project in the Utility Division. His motion was seconded by Ms. Bradley, and the motion passed unanimously by a vote of **9 For and 0 Against**.

Item Seventeen: Consider Authorizing the Advertisement for Bids to Supply and Install Automated Metering Infrastructure in the Utility Division and Take Any Action Deemed Necessary

Discussion was held on the proposed Automated Metering Infrastructure Project in the Utility Division and how it could conceivably increase revenue, as well as enhance water conservation. Ms. Bradley questioned as to whether customers would have access to their account in order to monitor water use. Mr. Whiteman explained that this is being considered as a pilot project, but there could be a possibility of that feature in the future, depending on many factors. Following additional minor discussion on the project, Mr. Smith made a motion to authorize the advertisement for bids to supply and install automated metering infrastructure in the Utility Division. His motion was seconded by Mr. Ward, and the motion passed unanimously by a vote of **9 For and 0 Against**.

Item Eighteen: Consider Authorizing the Advertisement for Bids to Install a Chlorine Dioxide Injection Point in the Raw Water Line at the Preston Shores Water Plant and Take Any Action Deemed Necessary

Mr. Whiteman explained that the Authority is under Texas Commission on Environmental Quality (TCEQ) enforcement to correct the Total Trihalomethanes (TTHM) and Haloacetic Acids (HAA5) problems at the Preston Shores Water Plant. He stated that the Authority initially considered installing an ultraviolet system to correct the problem. However, during the engineering phase, it became too expensive and it was then decided to switch to chlorine dioxide injection. He further explained that the chlorine dioxide injection will provide the contact time necessary to meet the permit requirement. Additionally, Mr. Whiteman stated that the plans have been sent to the TCEQ and approval is expected within a month. Following additional minor discussion, Mr. Smith made a motion to authorize the advertisement for bids to install a chlorine dioxide injection point in the raw water line at the Preston Shores Water Plant. His motion was seconded by Mr. Sandefur, which passed unanimously by a vote of **9 For** and **0 Against**.

Item Nineteen: Consider Authorizing the Advertisement for Bids to Construct a 12" Water Line from the City of Wichita Falls Connection Point on Hammon Road to the Lake Arrowhead Pump Station to Supply Treated Water to the Lake Arrowhead and Arrowhead Ranch Estates Water Systems and Take Any Action Deemed Necessary

Mr. Whiteman reminded that the Authority is under enforcement with Texas Commission on Environmental Quality (TCEQ) to correct the TTHM and HAA5 problem at the Lake Arrowhead Water Plant, as well. Instead of making improvements at the plant, he stated that the Authority decided to convert the Lake Arrowhead and Arrowhead Ranch Estates Water Systems to treated water from the City of Wichita Falls and abandon the water treatment plant. He explained that the plans are 75% complete and approval from TCEQ is expected to be received before the next scheduled board meeting. He explained that authorizing the advertisement for bids now will expedite the process. Following minor discussion, Mr. Scaling made a motion authorizing the advertisement for bids to construct a 12" water line from the City of Wichita Falls' connection point on Hammon Road to the Lake Arrowhead Pump Station to supply treated water to the Lake Arrowhead and Arrowhead Ranch Estates Water Systems. His motion was seconded by Mr. Thornhill, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty: Consider Authorizing the General Manager to Sign a Memo of Understanding with the City of Wichita Falls to Construct a Water Line to Begin Receiving Treated Water to Serve the Lake Arrowhead and Arrowhead Ranch Estates Water Systems and Take Any Action Deemed Necessary

Mr. Whiteman stated that the Memorandum of Understanding (MOU) presented is to agree on the connection point for the proposed treated water line with the City of Wichita Falls for the Authority's Lake Arrowhead and Arrowhead Ranch Estates Water Systems. He stated that the MOU includes a section within the Wichita Falls city limits that the City will contribute to, in order to upsize the line to conform with the City's long-range plans for their water system.

Following minor discussion, Mr. Scaling made a motion to authorize the General Manger to sign a Memorandum of Understanding with the City of Wichita Falls to construct a water line to begin receiving treated water to serve the Lake Arrowhead and Arrowhead Ranch Estates Water Systems. His motion was seconded by Mr. Ward, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-One: Consider Authorizing the Advertisement for Request for Qualifications for Auditing Services and Take Any Action Deemed Necessary

Mr. Whiteman stated that the Texas Sunset Advisory Commission recommended that the Authority bid all professional services over \$25,000 at least once every five years and rank the respondents. The Authority would then rank and have a prequalified list to pull from for five years for professional services. He reminded that other contracted services have been solicited, ranked and a list established. Mr. Whiteman also explained that since auditing services for the fiscal year 2019 audit had already been contracted, the Authority is ready to submit the advertisement for a request for qualifications for the fiscal year 2020 audit.

Following minor discussion, Mr. Davis made a motion to authorize the advertisement for request for qualifications for auditing services. His motion was seconded by Mr. Daniel, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Two: Consider Authorizing the General Manager to Apply for Planning Assistance from the Tulsa District of the United States Army Corps of Engineers (USACE) through the USACE PAS Program and Take Any Action Deemed Necessary

Mr. Whiteman provided a historical account of House Bill 4166, which was authored by Representative Gary VanDeaver, and passed by the 86th Texas Legislature. The bill requires the Authority to study the feasibility of increasing navigation on the Red River between Texarkana and Denison by completing the navigation system of locks and dams or other means. A report on the findings is to be submitted to the standing committees of the legislature by January 1, 2021. Mr. Whiteman reminded that he had been working with Mr. Richard Brontoli, Executive Director of the Red River Valley Association, as well as with the United States Army Corps of Engineers (USACE) on the project.

He stated that when he and Mr. Brontoli met with the USACE, they discovered an existing study on navigation of the Red River. That study was from 1989, but it did confirm that navigation was possible. He explained that the study is still valid, but changes in the river from flooding and such have changed the dynamics. The USACE offered to update the study with newer information and newer modeling techniques. Mr. Whiteman stated that they suggested that the study be funded under their existing Planning Assistance to States (PAS) program, which is a 50/50 match. He explained that, as the funding source for the study is the North Central Council of Governments funds, he and Mr. Brontoli have already contacted them and explained the situation. They agreed the best use of their funds is to contract with the USACE. Mr. Whiteman further explained that the USACE will supply the Authority with the language to make the request for the PAS funds. With this authorization, Mr. Whiteman stated that the request could be made as soon as the language is provided. Following minor discussion, Mr. Daniel made a motion to authorize the General Manager to apply for planning assistance from the Tulsa District of the United States Army Corps of Engineers (USACE) through the USACE PAS Program. His motion was seconded by Mr. Sandefur, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Three: Consider Declaring Obsolete/Retired Equipment as Surplus Property and Authorizing its Disposal and Take Any Action Deemed Necessary

Mr. Heaney explained that the Authority has been approached by a landowner to consider selling the inoperative storage tank that sits on his property. He explained that the tank was placed there

Item Twenty-Three: Consider Declaring Obsolete/Retired Equipment as Surplus Property and Authorizing its Disposal and Take Any Action Deemed Necessary (continued)

in the early 1970's, but does not appear to have ever been put in service. If the tank is declared surplus, he stated that it will be advertised for sale where is, as to the general public, and the landowner can bid on it just like anyone else. Discussion was then held on the approximate value of the tank, the easement, and the fact that it is of no use to the Authority. Mr. Heaney added that the tank was originally built for a hog farm that never developed. Following additional minor discussion, Mr. Davis made a motion to declare the tank as surplus property and authorized its disposal. Mr. Scaling seconded his motion, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Four: Consider Acceptance and Award Bids for Pickup Trucks and Take Any Action Deemed Necessary

Mr. Heaney stated that the Authority has a policy of replacing field vehicles every five years. He explained that the Authority advertised for five vehicles this year and received three bids. He then referred to the bid tabulation located in the Board Book. He added that the low bidder was Four Stars from Henrietta, Texas, and that he recommended accepting the low bid.

With no discussion, Mr. Scaling made a motion to award the low bid to Four Stars from Henrietta, Texas. His motion was seconded by Mr. Thornhill, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Five: Receive an Update on the Progress of the Strategic Plan from Director Sandefur and Take Any Action Deemed Necessary

Mr. Sandefur provided a recap of the strategic planning process that has taken place thus far, for the new board members. He added that it too is a requirement from the recent Texas Sunset Advisory Commission. Referring to the Strategic Plan document, he discussed each component of the Strategic Plan, and how it pertains to the goals of the Authority.

Following Mr. Sandefur's discussion, he asked all but the two new members to prioritize their goals of the plan on the poster provided. He then stated that the goal is to have the Strategic Plan completed for approval at the April 2020 meeting.

Item Twenty-Six: Consider Approval of Directors' Expenses and Take Any Action Deemed Necessary

Following review of the Board of Directors expenses, Mr. Scaling made a motion they be approved. His motion was seconded by Mr. Ward, and the motion was passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Seven: Unfinished Business: Tabled Item from September 18, 2019 Board Meeting - Consider Amending the Travel Policy for Board Members and Key Officials and Take Any Action Deemed Necessary

Discussion was held regarding the tabled item from the September 18, 2019 meeting relating to travel expenses for Board of Directors and Key Officials. Mr. Boykin stated that since the Authority is under several statutes, he recommends receiving an opinion from the Authority's General Counsel. With no more discussion, Mr. Daniel made a motion to take this item off as a tabled item and receive an opinion from the Authority's General Counsel. His motion was seconded by Mr. Sandefur, and the motion passed unanimously by a vote of **9 For** and **0 Against**.

Item Twenty-Eight: Other Business as the Board May Deem Appropriate:

a. General Manager's Report

1. Capital Improvement Plan Update

Mr. Whiteman provided an update to the Board on the status of the Authority's Capital Improvement Plan projects. Regarding the Guthrie-Dumont Water System project, he stated that a fourth well will be drilled to supply a sufficient amount of quality water to blend with the current well water, in order to reduce the nitrate levels in that system. Regarding the Hinds-Wildcat Water System, Mr. Whiteman explained that there are still issues in ascertaining the required easements for the project, and stated that this has been turned over to General Counsel to look into claiming eminent domain on the properties needed. Mr. Whiteman then explained that bidding for the Lake Arrowhead Water System is projected by the end of the second quarter in 2020. He also stated that the Authority is awaiting approval from the Texas Commission on Environmental Quality on the revised CT Study that was submitted on November 4, 2019 for the Preston Shores Water System. Regarding the Howardwick Water System, Mr. Whiteman said that construction on the Janny-Well is expected to begin by April 1, 2020.

Item Twenty-Eight: Other Business as the Board May Deem Appropriate (continued)**2. Update on Navigation of the Red River**

Mr. Whiteman stated that he had already provided an update on Navigation of the Red River earlier, but he did want to let the Board know that he is currently working on a contract with Rise Broadband regarding adding their equipment to the Authority's water tower located in the Preston Shores area.

b. Assistant General Manager's Report**1. Update on the Asset Management Plan Progress**

Mr. Heaney provided an overview on the five phases of the Asset Management Plan for the new Board Members. He stated that inventory has been completed, and entering of the inventory data is approximately 40% complete. He explained that he will send the categorized condition assessment for the Board's review in the near future.

2. Update on the Environmental Services Division

Mr. Heaney explained that the Environmental Services Division Laboratory recently received its National Environmental Laboratory Accreditation Program (NELAP) accreditation. He also updated the Board on the approval received from the Texas Commission on Environmental Quality, authorizing the purchase of a Laboratory Information Management System (LIMS) field application that will allow Clean Rivers Program (CRP) staff to take field data and upload it into the LIMS automatically. He also provided an update on the draft CRP Basin Highlights Report, which is due to the TCEQ by March 15, 2020.

3. Update on the Utility Division and Maintenance Division

Mr. Heaney stated that the Utility and Maintenance Divisions are experiencing some turnover in personnel. He stated that the new District 18 Manager (Howardwick) was unable to meet the terms of his six-month probationary period, and was subsequently let go. He explained that a new District 18 Manager has been hired in that system and began employment on January 2, 2020. Additionally, Mr. Heaney stated that a new Maintenance Technician was hired for District 22 (Preston Shores), and with the current District Manager retiring on January 31, 2020, a succession plan is in place to move the current Maintenance Technician into the District Manager position. He also explained that the District 19 Manager (Lake Arrowhead) had resigned, and the Maintenance Technician at Lake Arrowhead has applied for that position, so

Item Twenty-Eight: Other Business as the Board May Deem Appropriate (continued)**3. Update on the Utility Division and Maintenance Division (continued)**

advertisement has been posted for a Maintenance Technician in that district. Finally, he explained that the District 13 Manager (Vernon) submitted his retirement notice, to be effective March 31, 2020, and advertisement will be posted for a new District Manager in the Vernon area soon.

c. Financial Report by the Controller

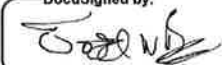
Ms. Hefton stated that the Authority once again received the Certificate of Achievement for Excellence in Financial Reporting from the Governmental Finance Officers Association's award for its 2018 Comprehensive Annual Financial Report. She also provided the Board an update on the accounting software upgrade and the scheduled training on the upgrade components.

Item Twenty-Nine: Comments from the Directors and/or Suggestions for Future Agenda Items

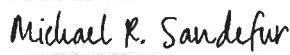
There were no comments or suggestion from the Directors for future agenda items.

Item Thirty: Adjourn Meeting

Mr. Daniel made a motion to adjourn at 12:43 p.m. His motion was seconded by Mr. Thornhill, and the motion was passed unanimously by a vote of **9 For** and **0 Against**.

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Todd W. Boykin, President

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Michael R. Sandefur, Secretary-Treasurer



RED RIVER AUTHORITY OF TEXAS



RESOLUTION

No. 2020-001

STATE OF TEXAS

§

COUNTY OF WICHITA

§

A RESOLUTION OF THE BOARD OF DIRECTORS authorizing the General Manager and/or the Controller to invest and reinvest funds of the Authority in accordance with the Investment Policy and Strategy, as amended.

WHEREAS, the Investment Committee has reviewed the current Investment Policy and submitted a favorable recommendation to the Board as to its primary objectives of safeguarding the Authority's cash assets, while achieving a reasonable return on invested funds with minimum risk to principal; and,

WHEREAS, the Investment Committee has reviewed the proposed Investment Strategy for the ensuing fiscal year and submitted a favorable recommendation to the Board of Directors for its continued employment; and,

WHEREAS, the Authority's Investment Officers shall at all times maintain full compliance with the provisions of the Public Funds Investment Act, Chapter 2256 and the Collateral for Public Funds Act, Chapter 2257 of the Texas Government Code, concerning the investment and safeguard of public funds.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors that:

1. The General Manager and Controller shall be designated as the Authority's Investment Officers; and,
2. The Investment Officers are authorized to manage the investment portfolio in accordance with the terms and limitations set forth in the Investment Policy, Strategy, Public Funds Investment Act, and any applicable bond ordinances; and
3. The proposed Investment Strategy be approved as the stated strategy for investing and reinvesting eligible funds of the Authority.

PASSED AND APPROVED this the 15th day of January, 2020 at a regular meeting of the Board of Directors by a vote of 9 **FOR** and 0 **AGAINST**.

Todd W. Boykin, President

Michael R. Sandefur, Secretary-Treasurer



RED RIVER AUTHORITY OF TEXAS



RESOLUTION

No. 2020-002

STATE OF TEXAS

§

COUNTY OF WICHITA

§

A RESOLUTION OF THE BOARD OF DIRECTORS Adopting the 2020 Indirect Cost Accounting Plan of the Authority in accordance with the Uniform Grant Management Standards (UGMS) as amended; and,


WHEREAS, the Authority's Auditor reviewed the plan (plan) in accordance with attestation standards established by the American Institute of Certified Accountants and concluded that the indicated costs were allocable under UGMS; and,

WHEREAS, the Authority and the Texas Commission on Quality (TCEQ) agreed to the procedures enumerated in the Indirect Cost Accounting Plan; and,

WHEREAS, the Authority's Management is responsible for compliance with those procedures in administering the 2020 Indirect Cost Accounting Plan; and,

NOW, THEREFORE BE IT RESOLVED that the 2020 Indirect Cost Accounting Plan attached to this Resolution as Exhibit A is hereby adopted effective January 15, 2020, by the Red River Authority of Texas Board of Directors.:

PASSED AND APPROVED this the 15th day of January, 2020 at a regular meeting of the Board of Directors by a vote of 9 **FOR** and 0 **AGAINST**.



Todd W. Boykin, President



Michael R. Sandefur, Secretary-Treasurer



RED RIVER AUTHORITY OF TEXAS



RESOLUTION

No. 2020-003

STATE OF TEXAS §

COUNTY OF WICHITA §

A Resolution of the Board of Directors of the Red River Authority of Texas commending **Penny C. Carpenter** for her outstanding and dedicated service as a Member of this Board.

WHEREAS, the Authority was created in 1959 by Acts of the 56th Legislature as a political subdivision of the State under Article XVI, Section 59 of the Texas Constitution; and

WHEREAS, the Authority's Enabling Legislation, Article 8280-228, Section 22, VATCS and Section 7(b), of the By-Laws requires the Board of Directors to promulgate rules, regulations and policies to govern the general conducts of its business activities; and

WHEREAS, **Penny C. Carpenter** has faithfully executed her official capacity as Director for a term of eleven years ending August 2019;

NOW THEREFORE BE IT RESOLVED by this Board of Directors that **Penny C. Carpenter** be duly honored and recognized this day for her outstanding leadership contribution toward fulfilling the Legislative Charges made to the Authority by the State of Texas.

PASSED, APPROVED AND ADOPTED this the 15th day of January, 2020 at a regular meeting of the Red River Authority's Board of Directors by a vote of 9 For and 0 Against.

Todd W. Boykin
President

Michael R. Sandefur
Secretary-Treasurer

